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114TH CONGRESS
2D SESSION

H. R. 5170

[Report No. 114-616]

To encourage and support partnerships between the public and private sectors
to improve our Nation's social programs, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 6, 2016

Mr. YOUNG of Indiana (for himself and Mr. DELANEY) introduced the
following bill; which was referred to the Committee on Ways and Means

JUNE 10, 2016

Additional sponsors: Mr. DOLD, Mr. LARSON of Connecticut, Mr. REED, Mr.
BLUMENAUER, Mr. PAULSEN, Mr. MEEHAN, Mrs. BLACK, Mr. POLIS,
Mr. BOUSTANY, Mr. BARR, Mr. BISHOP of Georgia, Mr. LANGEVIN, Ms.
KUSTER, Mr. PASCRELL, Mr. QUIGLEY, Mr. TIBERI, Ms. MCSALLY, Mr.
KATKO, Mr. ASHFORD, Mr. KINZINGER of Illinois, Mr. CARNEY, Mrs.
WALORSKI, Mr. FITZPATRICK, Mr. MACARTHUR, and Mrs. BROOKS of
Indiana

JUNE 10, 2016

Reported with an amendment, committed to the Committee of the Whole
House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on May 6, 2016]

A BILL

To encourage and support partnerships between the public and private sectors to improve our Nation's social programs, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “Social Impact Partner-*
5 *ships to Pay for Results Act”.*

6 **SEC. 2. SOCIAL IMPACT PARTNERSHIPS TO PAY FOR RE-**

7 **SULTS.**

8 *Section 403 of the Social Security Act (42 U.S.C. 603)*
9 *is amended by adding at the end the following:*

10 “(c) SOCIAL IMPACT DEMONSTRATION PROJECTS.—

11 “(1) PURPOSES.—*The purposes of this subsection*
12 *are the following:*

13 “(A) *To improve the lives of families and*
14 *individuals in need in the United States by*
15 *funding social programs that achieve real results.*

16 “(B) *To redirect funds away from programs*
17 *that, based on objective data, are ineffective, and*
18 *into programs that achieve demonstrable, meas-*
19 *urable results.*

20 “(C) *To ensure Federal funds are used effec-*
21 *tively on social services to produce positive out-*
22 *comes for both service recipients and taxpayers.*

23 “(D) *To establish the use of social impact*
24 *partnerships to address some of our Nation’s*
25 *most pressing problems.*

1 “(E) To facilitate the creation of public-pri-
2 vate partnerships that bundle philanthropic or
3 other private resources with existing public
4 spending to scale up effective social interventions
5 already being implemented by private organiza-
6 tions, non-profits, charitable organizations, and
7 State and local governments across the country.

8 “(F) To bring pay-for-performance to the
9 social sector, allowing the United States to im-
10 prove the impact and effectiveness of vital social
11 services programs while redirecting inefficient or
12 duplicative spending.

13 “(G) To incorporate outcomes measurement
14 and randomized controlled trials or other rig-
15 orous methodologies for assessing program im-
16 pact.

17 “(2) SOCIAL IMPACT PARTNERSHIP APPLICA-
18 TION.—

19 “(A) NOTICE.—Not later than 1 year after
20 the date of the enactment of this subsection, the
21 Secretary of the Treasury, in consultation with
22 the Federal Interagency Council on Social Im-
23 pact Partnerships, shall publish in the Federal
24 Register a request for proposals from States or

1 *local government for social impact partnership*
2 *projects in accordance with this paragraph.*

3 “*(B) REQUIRED OUTCOMES FOR SOCIAL IM-*
4 *PACT PARTNERSHIP PROJECT.—To qualify as a*
5 *social impact partnership project under this sub-*
6 *section, a project must produce 1 or more meas-*
7 *urable, clearly defined outcomes that result in so-*
8 *cial benefit and Federal savings through any of*
9 *the following:*

10 “(i) *Increasing work and earnings by*
11 *individuals who have been unemployed in*
12 *the United States for more than 6 consecu-*
13 *tive months.*

14 “(ii) *Increasing employment and earn-*
15 *ings of individuals who have attained 16*
16 *years of age but not 25 years of age.*

17 “(iii) *Increasing employment among*
18 *individuals receiving Federal disability ben-*
19 *efits.*

20 “(iv) *Reducing the dependence of low-*
21 *income families on Federal means-tested*
22 *benefits.*

23 “(v) *Improving rates of high school*
24 *graduation.*

1 “(vi) Reducing teen and unplanned
2 pregnancies.

3 “(vii) Improving birth outcomes and
4 early childhood health and development
5 among low-income families and individuals.

6 “(viii) Reducing rates of asthma, dia-
7 betes, or other preventable diseases among
8 low-income families and individuals to re-
9 duce the utilization of emergency and other
10 high-cost care.

11 “(ix) Increasing the proportion of chil-
12 dren living in 2-parent families.

13 “(x) Reducing incidences and adverse
14 consequences of child abuse and neglect.

15 “(xi) Reducing the number of youth in
16 foster care by increasing adoptions, perma-
17 nent guardianship arrangements, reunifica-
18 tion, or placement with a fit and willing
19 relative, or by avoiding placing children in
20 foster care by ensuring they can be cared for
21 safely in their own homes.

22 “(xii) Reducing the number of children
23 and youth in foster care residing in group
24 homes, child care institutions, agency-oper-
25 ated foster homes, or other non-family foster

1 *homes, unless it is determined that it is in*
2 *the interest of the child's long-term health,*
3 *safety, or psychological well-being to not be*
4 *placed in a family foster home.*

5 “(xiii) Reducing the number of chil-
6 dren returning to foster care.

7 “(xiv) Reducing recidivism among ju-
8 veniles, individuals released from prison, or
9 other high-risk populations.

10 “(xv) Reducing the rate of homelessness
11 among our most vulnerable populations.

12 “(xvi) Improving the health and well-
13 being of those with mental, emotional, and
14 behavioral health needs.

15 “(xvii) Improving the educational out-
16 comes of special-needs or low-income chil-
17 dren.

18 “(xviii) Improving the employment
19 and well-being of returning United States
20 military members.

21 “(xix) Increasing the financial sta-
22 bility of low-income families.

23 “(xx) Increasing the independence and
24 employability of individuals who are phys-
25 ically or mentally disabled.

1 “(xxi) Other measurable outcomes de-
2 fined by the State or local government that
3 result in positive social outcomes and Fed-
4 eral savings.

5 “(C) APPLICATION REQUIRED.—The notice
6 described in subparagraph (A) shall require a
7 State or local government to submit an applica-
8 tion for the social impact partnership project
9 that addresses the following:

10 “(i) The outcome goals of the project.

11 “(ii) A description of each intervention
12 in the project and anticipated outcomes of
13 the intervention.

14 “(iii) Rigorous evidence demonstrating
15 that the intervention can be expected to
16 produce the desired outcomes.

17 “(iv) The target population that will
18 be served by the project.

19 “(v) The expected social benefits to
20 participants who receive the intervention
21 and others who may be impacted.

22 “(vi) Projected Federal, State, and
23 local government costs and other costs to
24 conduct the project.

1 “(vii) *Projected Federal, State, and*
2 *local government savings and other savings,*
3 *including an estimate of the savings to the*
4 *Federal Government, on a program-by-pro-*
5 *gram basis and in the aggregate, if the*
6 *project is implemented and the outcomes are*
7 *achieved.*

8 “(viii) *If savings resulting from the*
9 *successful completion of the project are esti-*
10 *mated to accrue to the State or local govern-*
11 *ment, the likelihood of the State or local*
12 *government to realize those savings.*

13 “(ix) *A plan for delivering the inter-*
14 *vention through a social impact partnership*
15 *model.*

16 “(x) *A description of the expertise of*
17 *each service provider that will administer*
18 *the intervention, including a summary of*
19 *the experience of the service provider in de-*
20 *livering the proposed intervention or a*
21 *similar intervention, or demonstrating that*
22 *the service provider has the expertise nec-*
23 *essary to deliver the proposed intervention.*

24 “(xi) *An explanation of the experience*
25 *of the State or local government, the inter-*

1 *mediary, or the service provider in raising
2 private and philanthropic capital to fund
3 social service investments.*

4 “(xii) *The detailed roles and respon-
5 sibilities of each entity involved in the
6 project, including any State or local govern-
7 ment entity, intermediary, service provider,
8 independent evaluator, investor, or other
9 stakeholder.*

10 “(xiii) *A summary of the experience of
11 the service provider delivering the proposed
12 intervention or a similar intervention, or a
13 summary demonstrating the service pro-
14 vider has the expertise necessary to deliver
15 the proposed intervention.*

16 “(xiv) *A summary of the unmet need
17 in the area where the intervention will be
18 delivered or among the target population
19 who will receive the intervention.*

20 “(xv) *The proposed payment terms, the
21 methodology used to calculate outcome pay-
22 ments, the payment schedule, and perform-
23 ance thresholds.*

24 “(xvi) *The project budget.*

25 “(xvii) *The project timeline.*

1 “(xviii) *The criteria used to determine*
2 *the eligibility of an individual for the*
3 *project, including how selected populations*
4 *will be identified, how they will be referred*
5 *to the project, and how they will be enrolled*
6 *in the project.*

7 “(xix) *The evaluation design.*

8 “(xx) *The metrics that will be used to*
9 *determine whether the outcomes have been*
10 *achieved and how the metrics will be meas-*
11 *ured.*

12 “(xxi) *An explanation of how the*
13 *metrics used to determine whether the out-*
14 *comes have been achieved are independent,*
15 *objective indicators of impact and are not*
16 *subject to manipulation by the service pro-*
17 *vider, intermediary, or investor.*

18 “(xxii) *A summary explaining the*
19 *independence of the evaluator from the other*
20 *entities involved in the project and the eval-*
21 *uator’s experience in conducting rigorous*
22 *evaluations of program effectiveness includ-*
23 *ing, where available, well-implemented ran-*
24 *domized controlled trials on the intervention*
25 *or similar interventions.*

1 “(xxiii) The capacity of the service
2 provider to deliver the intervention to the
3 number of participants the State or local
4 government proposes to serve in the project.

5 “(D) PROJECT INTERMEDIARY INFORMATION
6 REQUIRED.—The application described in sub-
7 paragraph (C) shall also contain the following
8 information about any intermediary for the so-
9 cial impact partnership project (whether an
10 intermediary is a service provider or other enti-
11 ty):

12 “(i) Experience and capacity for pro-
13 viding or facilitating the provision of the
14 type of intervention proposed.

15 “(ii) The mission and goals.

16 “(iii) Information on whether the
17 intermediary is already working with serv-
18 ice providers that provide this intervention
19 or an explanation of the capacity of the
20 intermediary to begin working with service
21 providers to provide the intervention.

22 “(iv) Experience working in a collabo-
23 rative environment across government and
24 nongovernmental entities.

1 “(v) Previous experience collaborating
2 with public or private entities to implement
3 evidence-based programs.

4 “(vi) Ability to raise or provide fund-
5 ing to cover operating costs (if applicable to
6 the project).

7 “(vii) Capacity and infrastructure to
8 track outcomes and measure results, includ-
9 ing—

10 “(I) capacity to track and analyze
11 program performance and assess pro-
12 gram impact; and

13 “(II) experience with perform-
14 ance-based awards or performance-
15 based contracting and achieving
16 project milestones and targets.

17 “(viii) Role in delivering the interven-
18 tion.

19 “(ix) How the intermediary would
20 monitor program success, including a de-
21 scription of the interim benchmarks and
22 outcome measures.

23 “(E) FEASIBILITY STUDIES FUNDED
24 THROUGH OTHER SOURCES.—The notice de-
25 scribed in subparagraph (A) shall permit a State

1 *or local government to submit an application for*
2 *social impact partnership funding that contains*
3 *information from a feasibility study developed*
4 *for purposes other than applying for funding*
5 *under this subsection.*

6 **“(3) AWARDING SOCIAL IMPACT PARTNERSHIP**

7 **AGREEMENTS.—**

8 **“(A) TIMELINE IN AWARDING AGREEMENT.**—*Not later than 6 months after receiving*
9 *an application in accordance with paragraph*
10 *(2), the Secretary, in consultation with the Federal Interagency Council on Social Impact Partnerships,* shall determine whether to enter into
11 *an agreement for a social impact partnership project with a State or local government.*

16 **“(B) CONSIDERATIONS IN AWARDING AGREEMENT.**—*In determining whether to enter*
17 *into an agreement for a social impact partnership project (the application for which was submitted under paragraph (2)) the Secretary, in*
18 *consultation with the Federal Interagency Council on Social Impact Partnerships (established by*
19 *paragraph (6)) and the head of any Federal agency administering a similar intervention or*

1 *serving a population similar to that served by
2 the project, shall consider each of the following:*

3 “(i) *The recommendations made by the
4 Commission on Social Impact Partnerships.*

5 “(ii) *The value to the Federal Govern-
6 ment of the outcomes expected to be achieved
7 if the outcomes specified in the agreement
8 are achieved.*

9 “(iii) *The likelihood, based on evidence
10 provided in the application and other evi-
11 dence, that the State or local government in
12 collaboration with the intermediary and the
13 service providers will achieve the outcomes.*

14 “(iv) *The savings to the Federal Gov-
15 ernment if the outcomes specified in the
16 agreement are achieved.*

17 “(v) *The savings to the State and local
18 governments if the outcomes specified in the
19 agreement are achieved.*

20 “(vi) *The expected quality of the eval-
21 uation that would be conducted with respect
22 to the agreement.*

23 “(C) *AGREEMENT AUTHORITY.—*

24 “(i) *AGREEMENT REQUIREMENTS.—In
25 accordance with this paragraph, the Sec-*

1 *retary, in consultation with the Federal*
2 *Interagency Council on Social Impact Part-*
3 *nships and the head of any Federal agen-*
4 *cy administering a similar intervention or*
5 *serving a population similar to that served*
6 *by the project, may enter into an agreement*
7 *for a social impact partnership project with*
8 *a State or local government if the Secretary,*
9 *in consultation with the Federal Inter-*
10 *agency Council on Social Impact Partner-*
11 *ships, determines that each of the following*
12 *requirements are met:*

13 “(I) *The State or local govern-*
14 *ment agrees to achieve 1 or more out-*
15 *comes specified in the agreement in*
16 *order to receive payment.*

17 “(II) *The Federal payment to the*
18 *State or local government for each out-*
19 *come specified is less than or equal to*
20 *the value of the outcome to the Federal*
21 *Government over a period not to exceed*
22 *10 years, as determined by the Sec-*
23 *retary, in consultation with the State*
24 *or local government.*

1 “(III) *The duration of the project*
2 *does not exceed 10 years.*

3 “(IV) *The State or local govern-*
4 *ment has demonstrated, through the*
5 *application submitted under para-*
6 *graph (2), that, based on prior rig-*
7 *orous experimental evaluations or rig-*
8 *orous quasi-experimental studies, the*
9 *intervention can be expected to achieve*
10 *each outcome specified in the agree-*
11 *ment.*

12 “(V) *The State, local government,*
13 *intermediary, or service provider has*
14 *experience raising private or philan-*
15 *thropic capital to fund social service*
16 *investments (if applicable to the*
17 *project).*

18 “(VI) *The State or local govern-*
19 *ment has shown that each service pro-*
20 *vider has experience delivering the*
21 *intervention, a similar intervention, or*
22 *has otherwise demonstrated the exper-*
23 *tise necessary to deliver the interven-*
24 *tion.*

1 “(ii) PAYMENT.—The Secretary shall
2 pay the State or local government only if
3 the independent evaluator described in
4 paragraph (5) determines that the social
5 impact partnership project has met the re-
6 quirements specified in the agreement and
7 achieved an outcome specified in the agree-
8 ment.

9 “(D) NOTICE OF AGREEMENT AWARD.—Not
10 later than 30 days after entering into an agree-
11 ment under this paragraph, the Secretary shall
12 publish a notice in the Federal Register that in-
13 cludes, with regard to the agreement, the fol-
14 lowing:

15 “(i) The outcome goals of the social im-
16 pact partnership project.

17 “(ii) A description of each intervention
18 in the project.

19 “(iii) The target population that will
20 be served by the project.

21 “(iv) The expected social benefits to
22 participants who receive the intervention
23 and others who may be impacted.

24 “(v) The detailed roles, responsibilities,
25 and purposes of each Federal, State, or local

1 *government entity, intermediary, service
2 provider, independent evaluator, investor,
3 or other stakeholder.*

4 “(vi) *The payment terms, the methodology used to calculate outcome payments, the payment schedule, and performance thresholds.*

5 “(vii) *The project budget.*

6 “(viii) *The project timeline.*

7 “(ix) *The project eligibility criteria.*

8 “(x) *The evaluation design.*

9 “(xi) *The metrics that will be used to determine whether the outcomes have been achieved and how these metrics will be measured.*

10 “(xii) *The estimate of the savings to the Federal, State, and local government, on a program-by-program basis and in the aggregate, if the agreement is entered into and implemented and the outcomes are achieved.*

11 “(E) *AUTHORITY TO TRANSFER ADMINISTRATION OF AGREEMENT.—The Secretary may transfer to the head of another Federal agency the authority to administer (including making payments under) an agreement entered into*

1 *under subparagraph (C), and any funds nec-*
2 *essary to do so.*

3 “*(4) FEASIBILITY STUDY FUNDING.—*

4 “*(A) REQUESTS FOR FUNDING FOR FEASI-*
5 *BILITY STUDIES.—The Secretary shall reserve a*
6 *portion of the amount reserved to carry out this*
7 *subsection to assist States or local governments*
8 *in developing feasibility studies to apply for so-*
9 *cial impact partnership funding under para-*
10 *graph (2). To be eligible to receive funding to as-*
11 *sist with completing a feasibility study, a State*
12 *or local government shall submit an application*
13 *for feasibility study funding addressing the fol-*
14 *lowing:*

15 “*(i) A description of the outcome goals*
16 *of the social impact partnership project.*

17 “*(ii) A description of the intervention,*
18 *including anticipated program design, tar-*
19 *get population, an estimate regarding the*
20 *number of individuals to be served, and set-*
21 *ting for the intervention.*

22 “*(iii) Evidence to support the likeli-*
23 *hood that the intervention will produce the*
24 *desired outcomes.*

1 “(iv) A description of the potential
2 metrics to be used.

3 “(v) The expected social benefits to
4 participants who receive the intervention
5 and others who may be impacted.

6 “(vi) Estimated costs to conduct the
7 project.

8 “(vii) Estimates of Federal, State, and
9 local government savings and other savings
10 if the project is implemented and the out-
11 comes are achieved.

12 “(viii) An estimated timeline for im-
13 plementation and completion of the project,
14 which shall not exceed 10 years.

15 “(ix) With respect to a project for
16 which the State or local government selects
17 an intermediary to operate the project, any
18 partnerships needed to successfully execute
19 the project and the ability of the inter-
20 mediary to foster the partnerships.

21 “(x) The expected resources needed to
22 complete the feasibility study for the State
23 or local government to apply for social im-
24 pact partnership funding under paragraph
25 (2).

1 “(B) FEDERAL SELECTION OF APPLICATIONS FOR FEASIBILITY STUDY.—Not later than
2 6 months after receiving an application for feasibility study funding under subparagraph (A),
3 the Secretary, in consultation with the Federal Interagency Council on Social Impact Partnerships and the head of any Federal agency administering a similar intervention or serving a population similar to that served by the project,
4 shall select State or local government feasibility study proposals for funding based on the following:

5 “(i) The recommendations made by the Commission on Social Impact Partnerships.

6 “(ii) The likelihood that the proposal will achieve the desired outcomes.

7 “(iii) The value of the outcomes expected to be achieved.

8 “(iv) The potential savings to the Federal Government if the social impact partnership project is successful.

9 “(v) The potential savings to the State and local governments if the project is successful.

1 “(C) PUBLIC DISCLOSURE.—Not later than
2 30 days after selecting a State or local govern-
3 ment for feasibility study funding under this
4 paragraph, the Secretary shall cause to be pub-
5 lished on the website of the Federal Interagency
6 Council on Social Impact Partnerships informa-
7 tion explaining why a State or local government
8 was granted feasibility study funding.

9 “(D) FUNDING RESTRICTION.—

10 “(i) FEASIBILITY STUDY RESTRI-
11 CTION.—The Secretary may not provide fea-
12 sibility study funding under this paragraph
13 for more than 50 percent of the estimated
14 total cost of the feasibility study reported in
15 the State or local government application
16 submitted under subparagraph (A).

17 “(ii) AGGREGATE RESTRICTION.—Of
18 the total amount reserved to carry out this
19 subsection, the Secretary may not use more
20 than \$10,000,000 to provide feasibility
21 study funding to States or local govern-
22 ments under this paragraph.

23 “(iii) NO GUARANTEE OF FUNDING.—
24 The Secretary shall have the option to
25 award no funding under this paragraph.

1 “(E) SUBMISSION OF FEASIBILITY STUDY
2 *REQUIRED.—Not later than 9 months after the*
3 *receipt of feasibility study funding under this*
4 *paragraph, a State or local government receiving*
5 *the funding shall complete the feasibility study*
6 *and submit the study to the Federal Interagency*
7 *Council on Social Impact Partnerships.*

8 “(F) DELEGATION OF AUTHORITY.—*The*
9 *Secretary may transfer to the head of another*
10 *Federal agency the authorities provided in this*
11 *paragraph and any funds necessary to exercise*
12 *the authorities.*

13 “(5) EVALUATIONS.—

14 “(A) AUTHORITY TO ENTER INTO AGREEMENTS.—*For each State or local government*
15 *awarded a social impact partnership project ap-*
16 *proved by the Secretary under this subsection,*
17 *the head of the relevant agency, as determined by*
18 *the Federal Interagency Council on Social Im-*
19 *pact Partnerships, shall enter into an agreement*
20 *with the State or local government to pay for all*
21 *or part of the independent evaluation to deter-*
22 *mine whether the State or local government*
23 *project has met an outcome specified in the*
24 *agreement in order for the State or local govern-*

1 *ment to receive outcome payments under this*
2 *subsection.*

3 “(B) *EVALUATOR QUALIFICATIONS.*—*The*
4 *head of the relevant agency may not enter into*
5 *an agreement with a State or local government*
6 *unless the head determines that the evaluator is*
7 *independent of the other parties to the agreement*
8 *and has demonstrated substantial experience in*
9 *conducting rigorous evaluations of program effec-*
10 *tiveness including, where available and appro-*
11 *priate, well-implemented randomized controlled*
12 *trials on the intervention or similar interven-*
13 *tions.*

14 “(C) *METHODOLOGIES TO BE USED.*—*The*
15 *evaluation used to determine whether a State or*
16 *local government will receive outcome payments*
17 *under this subsection shall use experimental de-*
18 *signs using random assignment or other reliable,*
19 *evidence-based research methodologies, as cer-*
20 *tified by the Federal Interagency Council on So-*
21 *cial Impact Partnerships, that allow for the*
22 *strongest possible causal inferences when random*
23 *assignment is not feasible.*

24 “(D) *PROGRESS REPORT.*—

1 “(i) *SUBMISSION OF REPORT.*—The
2 *independent evaluator shall—*

3 “(I) *not later than 2 years after a*
4 *project has been approved by the Sec-*
5 *retary and biannually thereafter until*
6 *the project is concluded, submit to the*
7 *head of the relevant agency and the*
8 *Federal Interagency Council on Social*
9 *Impact Partnerships a written report*
10 *summarizing the progress that has*
11 *been made in achieving each outcome*
12 *specified in the agreement; and*

13 “(II) *before the scheduled time of*
14 *the first outcome payment and before*
15 *the scheduled time of each subsequent*
16 *payment, submit to the head of the rel-*
17 *evant agency and the Federal Inter-*
18 *agency Council on Social Impact Part-*
19 *nerships a written report that includes*
20 *the results of the evaluation conducted*
21 *to determine whether an outcome pay-*
22 *ment should be made along with infor-*
23 *mation on the unique factors that con-*
24 *tributed to achieving or failing to*
25 *achieve the outcome, the challenges*

1 *faced in attempting to achieve the out-*
2 *come, and information on the im-*
3 *proved future delivery of this or simi-*
4 *lar interventions.*

5 “(ii) *SUBMISSION TO CONGRESS.*—Not
6 *later than 30 days after receipt of the writ-*
7 *ten report pursuant to clause (i)(II), the*
8 *Federal Interagency Council on Social Im-*
9 *pact Partnerships shall submit the report to*
10 *each committee of jurisdiction in the House*
11 *of Representatives and the Senate.*

12 “(E) *FINAL REPORT.*—

13 “(i) *SUBMISSION OF REPORT.*—Within
14 *6 months after the social impact partner-*
15 *ship project is completed, the independent*
16 *evaluator shall—*

17 “(I) *evaluate the effects of the ac-*
18 *tivities undertaken pursuant to the*
19 *agreement with regard to each outcome*
20 *specified in the agreement; and*

21 “(II) *submit to the head of the rel-*
22 *evant agency and the Federal Inter-*
23 *agency Council on Social Impact Part-*
24 *nerships a written report that includes*
25 *the results of the evaluation and the*

1 *conclusion of the evaluator as to whether the State or local government has*
2 *fulfilled each obligation of the agreement, along with information on the*
3 *unique factors that contributed to the success or failure of the project, the challenges faced in attempting to achieve the outcome, and information on the improved future delivery of this or similar interventions.*

11 “(ii) *SUBMISSION TO CONGRESS.*—Not later than 30 days after receipt of the written report pursuant to clause (i)(II), the Federal Interagency Council on Social Impact Partnerships shall submit the report to each committee of jurisdiction in the House of Representatives and the Senate.

18 “(F) *LIMITATION ON COST OF EVALUATIONS.*—Of the amount reserved under this subsection for social impact partnership projects, the Secretary may not obligate more than 15 percent to evaluate the implementation and outcomes of the projects.

24 “(G) *DELEGATION OF AUTHORITY.*—The Secretary may transfer to the head of another

1 *Federal agency the authorities provided in this
2 paragraph and any funds necessary to exercise
3 the authorities.*

4 ***“(6) FEDERAL INTERAGENCY COUNCIL ON SOCIAL
5 IMPACT PARTNERSHIPS.—***

6 “*(A) ESTABLISHMENT.—There is estab-
7 lished the Federal Interagency Council on Social
8 Impact Partnerships (in this paragraph referred
9 to as the ‘Council’) to—*

10 “*(i) coordinate the efforts of social im-
11 pact partnership projects funded under this
12 subsection;*

13 “*(ii) advise and assist the Secretary in
14 the development and implementation of the
15 projects;*

16 “*(iii) advise the Secretary on specific
17 programmatic and policy matter related to
18 the projects;*

19 “*(iv) provide subject-matter expertise
20 to the Secretary with regard to the projects;*

21 “*(v) ensure that each State or local
22 government that has entered into an agree-
23 ment with the Secretary for a social impact
24 partnership project under this subsection
25 and each evaluator selected by the head of*

1 *the relevant agency under paragraph (5)*
2 *has access to Federal administrative data to*
3 *assist the State or local government and the*
4 *evaluator in evaluating the performance*
5 *and outcomes of the project;*

6 “(vi) *address issues that will influence*
7 *the future of social impact partnership*
8 *projects in the United States;*

9 “(vii) *provide guidance to the executive*
10 *branch on the future of social impact part-*
11 *nnership projects in the United States;*

12 “(viii) *review State and local govern-*
13 *ment applications for social impact part-*
14 *nnerships to ensure that agreements will only*
15 *be awarded under this subsection when rig-*
16 *orous, independent data and reliable, evi-*
17 *dence-based research methodologies support*
18 *the conclusion that an agreement will yield*
19 *savings to the Federal Government if the*
20 *project outcomes are achieved before the ap-*
21 *plications are approved by the Secretary;*

22 “(ix) *certify, in the case of each ap-*
23 *proved social impact partnership, that the*
24 *project will yield a projected savings to the*
25 *Federal Government if the project outcomes*

1 *are achieved, and coordinate with the relevant Federal agency to produce an after-action accounting once the project is complete to determine the actual Federal savings realized, and the extent to which actual savings aligned with projected savings; and*

7 *“(x) provide oversight of the actions of the Secretary and other Federal officials under this subsection and report periodically to Congress and the public on the implementation of this subsection.*

12 “(B) COMPOSITION OF COUNCIL.—*The Council shall have 11 members, as follows:*

14 “(i) CHAIR.—*The Chair of the Council shall be the Director of the Office of Management and Budget.*

17 “(ii) OTHER MEMBERS.—*The head of each of the following entities shall designate 1 officer or employee of the entity to be a Council member:*

21 “(I) *The Department of Labor.*

22 “(II) *The Department of Health and Human Services.*

24 “(III) *The Social Security Administration.*

1 “(IV) *The Department of Agriculture.*
2

3 “(V) *The Department of Justice.*

4 “(VI) *The Department of Housing
5 and Urban Development.*

6 “(VII) *The Department of Education.*
7

8 “(VIII) *The Department of Veterans Affairs.*

9 “(IX) *The Department of the Treasury.*

10 “(X) *The Corporation for National and Community Service.*

11 “(7) *COMMISSION ON SOCIAL IMPACT PARTNERSHIPS.—*

12 “(A) *ESTABLISHMENT.—There is established the Commission on Social Impact Partnerships (in this paragraph referred to as the ‘Commission’).*

13 “(B) *DUTIES.—The duties of the Commission shall be to—*

14 “(i) *assist the Secretary and the Federal Interagency Council on Social Impact Partnerships in reviewing applications for funding under this subsection;*

1 “(ii) make recommendations to the
2 Secretary and the Federal Interagency
3 Council on Social Impact Partnerships re-
4 garding the funding of social impact part-
5 nership agreements and feasibility studies;
6 and

7 “(iii) provide other assistance and in-
8 formation as requested by the Secretary or
9 the Federal Interagency Council on Social
10 Impact Partnerships.

11 “(C) COMPOSITION.—The Commission shall
12 be composed of 9 members, of whom—

13 “(i) 1 shall be appointed by the Presi-
14 dent, who will serve as the Chair of the
15 Commission;

16 “(ii) 1 shall be appointed by the Ma-
17 jority Leader of the Senate;

18 “(iii) 1 shall be appointed by the Mi-
19 nority Leader of the Senate;

20 “(iv) 1 shall be appointed by the
21 Speaker of the House of Representatives;

22 “(v) 1 shall be appointed by the Minor-
23 ity Leader of the House of Representatives;

1 “(vi) 1 shall be appointed by the
2 Chairman of the Committee on Finance of
3 the Senate;

4 “(vii) 1 shall be appointed by the
5 ranking member of the Committee on Fi-
6 nance of the Senate;

7 “(viii) 1 member shall be appointed by
8 the Chairman of the Committee on Ways
9 and Means of the House of Representatives;
10 and

11 “(ix) 1 shall be appointed by the rank-
12 ing member of the Committee on Ways and
13 Means of the House of Representatives.

14 “(D) QUALIFICATIONS OF COMMISSION
15 MEMBERS.—The members of the Commission
16 shall—

17 “(i) be experienced in finance, econom-
18 ics, pay for performance, or program eval-
19 uation;

20 “(ii) have relevant professional or per-
21 sonal experience in a field related to 1 or
22 more of the outcomes listed in this sub-
23 section; or

24 “(iii) be qualified to review applica-
25 tions for social impact partnership projects

1 *to determine whether the proposed metrics
2 and evaluation methodologies are appro-
3 priately rigorous and reliant upon inde-
4 pendent data and evidence-based research.*

5 “*(E) TIMING OF APPOINTMENTS.—The ap-
6 pointments of the members of the Commission
7 shall be made not later than 120 days after the
8 date of the enactment of this subsection, or, in
9 the event of a vacancy, not later than 90 days
10 after the date the vacancy arises. If a member of
11 Congress fails to appoint a member by that date,
12 the President may select a member of the Presi-
13 dent’s choice on behalf of the member of Congress.
14 Notwithstanding the preceding sentence, if not
15 all appointments have been made to the Commis-
16 sion as of that date, the Commission may oper-
17 ate with no fewer than 5 members until all ap-
18 pointments have been made.*

19 “*(F) TERM OF APPOINTMENTS.—*

20 “*(i) IN GENERAL.—The members ap-
21 pointed under subparagraph (C) shall serve
22 as follows:*

23 “*(I) 3 members shall serve for 2
24 years.*

1 “(II) 3 members shall serve for 3
2 years.

3 “(III) 3 members (1 of which
4 shall be Chair of the Commission ap-
5 pointed by the President) shall serve
6 for 4 years.

7 “(ii) *ASSIGNMENT OF TERMS.*—The
8 Commission shall designate the term length
9 that each member appointed under subparagraph
10 (C) shall serve by unanimous agree-
11 ment. In the event that unanimous agree-
12 ment cannot be reached, term lengths shall
13 be assigned to the members by a random
14 process.

15 “(G) *VACANCIES.*—Subject to subparagraph
16 (E), in the event of a vacancy in the Commis-
17 sion, whether due to the resignation of a member,
18 the expiration of a member’s term, or any other
19 reason, the vacancy shall be filled in the manner
20 in which the original appointment was made
21 and shall not affect the powers of the Commis-
22 sion.

23 “(H) *APPOINTMENT POWER.*—Members of
24 the Commission appointed under subparagraph

1 (C) shall not be subject to confirmation by the
2 Senate.

3 “(8) LIMITATION ON USE OF FUNDS.—Of the
4 amounts reserved to carry out this subsection, the Sec-
5 retary may not use more than \$2,000,000 in any fis-
6 cal year to support the review, approval, and over-
7 sight of social impact partnership projects, including
8 activities conducted by—

9 “(A) the Federal Interagency Council on
10 Social Impact Partnerships; and

11 “(B) any other agency consulted by the Sec-
12 retary before approving a social impact partner-
13 ship project or a feasibility study under para-
14 graph (4).

15 “(9) NO FEDERAL FUNDING FOR CREDIT EN-
16 HANCEMENTS.—No amount reserved to carry out this
17 subsection may be used to provide any insurance,
18 guarantee, or other credit enhancement to a State or
19 local government under which a Federal payment
20 would be made to a State or local government as the
21 result of a State or local government failing to
22 achieve an outcome specified in a contract.

23 “(10) AVAILABILITY OF FUNDS.—Amounts re-
24 served to carry out this subsection shall remain avail-

1 able until 10 years after the date of the enactment of
2 this subsection.

3 “(11) WEBSITE.—The Federal Interagency
4 Council on Social Impact Partnerships shall establish
5 and maintain a public website that shall display the
6 following:

7 “(A) A copy of, or method of accessing, each
8 notice published regarding a social impact part-
9 nership project pursuant to this subsection.

10 “(B) A copy of each feasibility study funded
11 under this subsection.

12 “(C) For each State or local government
13 that has entered into an agreement with the Sec-
14 retary for a social impact partnership project,
15 the website shall contain the following informa-
16 tion:

17 “(i) The outcome goals of the project.

18 “(ii) A description of each intervention
19 in the project.

20 “(iii) The target population that will
21 be served by the project.

22 “(iv) The expected social benefits to
23 participants who receive the intervention
24 and others who may be impacted.

1 “(v) The detailed roles, responsibilities,
2 and purposes of each Federal, State, or local
3 government entity, intermediary, service
4 provider, independent evaluator, investor,
5 or other stakeholder.

6 “(vi) The payment terms, methodology
7 used to calculate outcome payments, the
8 payment schedule, and performance thresh-
9 olds.

10 “(vii) The project budget.

11 “(viii) The project timeline.

12 “(ix) The project eligibility criteria.

13 “(x) The evaluation design.

14 “(xi) The metrics used to determine
15 whether the proposed outcomes have been
16 achieved and how these metrics are meas-
17 ured.

18 “(D) A copy of the progress reports and the
19 final reports relating to each social impact part-
20 nership project.

21 “(E) An estimate of the savings to the Fed-
22 eral, State, and local government, on a program-
23 by-program basis and in the aggregate, resulting
24 from the successful completion of the social im-
25 pact partnership project.

1 “(12) REGULATIONS.—The Secretary, in con-
2 sultation with the Federal Interagency Council on So-
3 cial Impact Partnerships, may issue regulations as
4 necessary to carry out this subsection.

5 “(13) DEFINITIONS.—In this subsection:

6 “(A) AGENCY.—The term ‘agency’ has the
7 meaning given that term in section 551 of title
8 5, United States Code.

9 “(B) INTERVENTION.—The term ‘interven-
10 tion’ means a specific service delivered to achieve
11 an impact through a social impact partnership
12 project.

13 “(C) SECRETARY.—The term ‘Secretary’
14 means the Secretary of the Treasury.

15 “(D) SOCIAL IMPACT PARTNERSHIP
16 PROJECT.—The term ‘social impact partnership
17 project’ means a project that finances social serv-
18 ices using a social impact partnership model.

19 “(E) SOCIAL IMPACT PARTNERSHIP
20 MODEL.—The term ‘social impact partnership
21 model’ means a method of financing social serv-
22 ices in which—

23 “(i) Federal funds are awarded to a
24 State or local government only if a State or
25 local government achieves certain outcomes

1 *agreed on by the State or local government*
2 *and the Secretary; and*

3 “*(ii) the State or local government co-*
4 *ordinates with service providers, investors*
5 *(if applicable to the project), and (if nec-*
6 *necessary) an intermediary to identify—*

7 “*(I) an intervention expected to*
8 *produce the outcome;*

9 “*(II) a service provider to deliver*
10 *the intervention to the target popu-*
11 *lation; and*

12 “*(III) investors to fund the deliv-*
13 *ery of the intervention.*

14 “*(F) STATE.—The term ‘State’ means each*
15 *State of the United States, the District of Colum-*
16 *bia, each commonwealth, territory or possession*
17 *of the United States, and each federally recog-*
18 *nized Indian tribe.*

19 “*(14) FUNDING.—Of the amounts made available*
20 *to carry out subsection (b) for fiscal year 2017, the*
21 *Secretary shall reserve \$100,000,000 to carry out this*
22 *subsection.”.*

Union Calendar No. 479

114TH CONGRESS
2D SESSION

H. R. 5170

[Report No. 114-616]

A BILL

To encourage and support partnerships between the public and private sectors to improve our Nation's social programs, and for other purposes.

JUNE 10, 2016

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed